

SENATE JOINT RESOLUTION NO. 18

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATOR VON IMHOF

Introduced: 5/17/21

Referred: State Affairs, Judiciary, Finance

A RESOLUTION

1 **Proposing amendments to the Constitution of the State of Alaska relating to the Alaska**
2 **permanent fund, the Alaska resource ownership revenue account, appropriations from**
3 **the permanent fund, and a dividend for state residents.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** Article IX, sec. 7, Constitution of the State of Alaska, is amended to read:

6 **Section 7. Dedicated Funds.** The proceeds of any state tax or license shall not
7 be dedicated to any special purpose, except as provided in sections [SECTION] 15
8 and 18 of this article or when required by the federal government for state
9 participation in federal programs. This provision shall not prohibit the continuance of
10 any dedication for special purposes existing upon the date of ratification of this section
11 by the people of Alaska.

12 * **Sec. 2.** Article IX, sec. 15, Constitution of the State of Alaska, is amended to read:

13 **Section 15. Alaska Permanent Fund.** At least twelve and one-half
14 [TWENTY-FIVE] percent of all mineral lease rentals, royalties, royalty sale proceeds,
15 federal mineral revenue sharing payments and bonuses received by the State shall be

1 placed in a permanent fund, [THE PRINCIPAL OF] which shall be used [ONLY] for
 2 [THOSE] income-producing investments specifically designated by law as eligible for
 3 permanent fund investments. **The principal of and the income** [ALL INCOME] from
 4 the permanent fund shall be **retained** [DEPOSITED] in the [GENERAL] fund
 5 [UNLESS OTHERWISE PROVIDED BY LAW]. **The legislature may appropriate**
 6 **from the fund only as provided in (b) and (c) of this section.**

7 * **Sec. 3.** Article IX, sec. 15, Constitution of the State of Alaska, is amended by adding new
 8 subsections to read:

9 (b) Each fiscal year, the legislature may appropriate from the permanent fund
 10 to the general fund a percentage of the average market value of the fund. The average
 11 market value of the fund is the average value of the fund for the preceding five fiscal
 12 years, including the fiscal year just ended. The percentage of the average market value
 13 appropriated under this subsection shall be set out in law and shall not exceed five
 14 percent. The value of the fund shall be calculated on the last day of the fiscal year.

15 (c) The permanent fund may be used to pay costs associated with investments
 16 made under (a) of this section.

17 * **Sec. 4.** Article IX, Constitution of the State of Alaska, is amended by adding a new
 18 section to read:

19 **Section 18. Alaska Resource Ownership Revenue Account.** (a) At least
 20 twelve and one-half percent of all mineral lease rentals, royalties, royalty sale
 21 proceeds, federal mineral revenue sharing payments, and bonuses received by the
 22 State shall be placed in the Alaska resource ownership revenue account, which shall
 23 be used for income-producing investments specifically designated by law as eligible
 24 for resource ownership revenue account investments. Income from the resource
 25 ownership account shall be retained in the account. The legislature may appropriate
 26 from the account only as provided in (b) of this section.

27 (b) Each fiscal year, the legislature may appropriate from the resource
 28 ownership revenue account for the payment of dividends to residents of the State a
 29 percentage of the average market value of the account. The average market value of
 30 the account is the average value of the account for the preceding five fiscal years,
 31 including the fiscal year just ended. The percentage of the average market value

1 appropriated under this subsection shall be set out in law and shall not exceed five
2 percent. The value of the fund shall be calculated on the last day of the fiscal year.

3 * **Sec. 5.** Article XV, Constitution of the State of Alaska, is amended by adding a new
4 section to read:

5 **Section 30. Permanent Fund and Resource Ownership Revenue Account**

6 **Amendments: Transition.** (a) On June 30, 2023, the unencumbered balance of the
7 earnings reserve account established by law shall be deposited in the Alaska
8 permanent fund and become part of the principal of the fund.

9 (b) Notwithstanding the restriction on the use of the principal of the permanent
10 fund in art. IX, sec. 15, on June 30, 2023, the legislature shall appropriate from the
11 Alaska permanent fund to the Alaska resource ownership revenue account the greater
12 of \$6,770,000,000 or the sum of the difference between the amount calculated for
13 appropriation to the dividend account under AS 37.13.145(b), for that fiscal year, as
14 that section read on January 1, 2020, and the amount actually appropriated for
15 dividends in fiscal years 2017, 2018, 2019, 2020, 2021, 2022, and 2023.

16 (c) The 2022 amendments relating to the Alaska permanent fund (art. IX, sec.
17 15) and the Alaska resource ownership revenue account (art. IX, sec. 18) apply to
18 appropriations made for fiscal year 2024 and thereafter.

19 * **Sec. 6.** The amendments proposed by this resolution shall be placed before the voters of
20 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
21 State of Alaska, and the election laws of the state.